

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re: W.R. GRACE & CO., et al., Debtors.	§ § § § § §	Chapter 11 Jointly Administered Case No. 01-01139 (JKF)
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**FEE AUDITOR'S FINAL REPORT REGARDING THE
FORTY-SIXTH QUARTERLY INTERIM FEE APPLICATION
OF PACHULSKI STANG ZIEHL & JONES LLP**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Forty-Sixth Quarterly Interim Fee Application of Pachulski Stang Ziehl & Jones LLP (the "Application").

BACKGROUND

1. Pachulski Stang Ziehl & Jones LLP ("Pachulski") was retained as counsel to the Debtors. In the Application, Pachulski seeks approval of fees totaling \$90,404.00 and expenses totaling \$56,980.31 for its services from July 1, 2012, through September 30, 2012 (the "Application Period").

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time and expense entries included in the exhibits to the Application, for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2012, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C.

§ 330, Issued January 30, 1996 (the "Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. We served an initial report on Pachulski based upon our review, and we received a response from Pachulski, portions of which response are quoted herein.

DISCUSSION

3. We noted the following sets of identical expense entries:

07/03/12	OS	Digital Legal Services, Inv. 67555, 3960 copies	\$475.20
07/03/12	OS	Digital Legal Services, Inv. 67555, postage	\$61.80
07/03/12	OS	Digital Legal Services, Inv. 6755, 3048 copies	\$365.76
07/03/12	OS	Digital Legal Services, Inv. 67555, postage	\$275.00
07/03/12	OS	Digital Legal Services, Inv. 67555, 3960 copies	\$475.20
07/03/12	OS	Digital Legal Services, Inv. 67555, postage	\$61.80
07/03/12	OS	Digital Legal Services, Inv. 67555, 3048 copies	\$365.76
07/03/12	OS	Digital Legal Services, Inv. 67555, postage	\$275.00
07/23/12	OS	Digital Legal Services, Inv. 67555, 57150 copies	\$6,858.00
07/23/12	OS	Digital Legal Services, Inv. 67555, postage	\$1,060.90
07/23/12	OS	Digital Legal Services, Inv. 67555, 57150 copies	\$6,858.00
07/23/12	OS	Digital Legal Services, Inv. 67555, postage	\$1,060.90
07/30/12	OS	Digital Legal Services, Inv. 67555, 2032 copies	\$243.84
07/30/12	OS	Digital Legal Services, Inv. 67555, postage	\$267.80
07/30/12	OS	Digital Legal Services, Inv. 67555, 2032 copies	\$243.84
07/30/12	OS	Digital Legal Services, Inv. 67555, postage	\$267.80
			\$19,216.60

We asked Pachulski whether any of these entries were duplicates, and Pachulski responded that “the

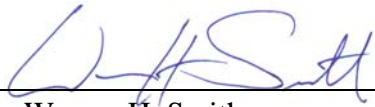
expense entries are duplicates.” We appreciate Pachulski’s response and recommend deduction of each duplicate expense entry for a reduction of \$9,608.30 in expenses.

CONCLUSION

4. Thus, we recommend approval of \$90,404.00 in fees and \$47,372.01 in expenses (\$56,980.31 minus \$9,608.30) for Pachulski’s services for the Application Period.

Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.


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FEE AUDITOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served by First Class United States mail to the attached service list on this 21st day of January, 2013.


Warren H. Smith

SERVICE LIST

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